

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 02-0214P

Withholding and Sales Taxes

Month Ending 12/31/01

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer was assessed a late payment penalty for the month of December 2001. In a letter dated March 12, 2002, taxpayer requests a waiver because all of the information necessary to complete the W-2's was not available until almost the end of January 2002. Its plan was to get everything balanced before making the deposit. These facts coupled with the illness of the accounting person who handles the deposits, at the time the deposit was due, contributed to the late payment of the tax. Taxpayer states that it immediately remitted the tax upon discovery of the oversight.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer failed to timely remit its withholding tax for the month of December 2001. Taxpayer states that all of the information necessary to complete the W-2's was not available until almost the end of January and the person responsible for making the deposits was ill.

Taxpayer's failure to remit the tax timely was not the result of reasonable cause. Taxpayer should have had procedures in place to assure that taxes are timely paid when an employee is ill. Taxpayer has failed to substantiate a reason for a waiver of the penalty.

FINDING

Taxpayer's protest is denied.